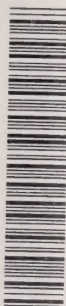


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DEPARTMENT OF TRADE AND COMMERCE
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REVIEW OF LIVING COSTS IN CANADA, AUGUST 1939 TO AUGUST 1941.

As announced some days ago, the Dominion Bureau of Statistics cost of living index for Canada has risen 12.8 per cent, between August, 1939 and August, 1941. This is the same as saying that it now takes \$112.80 to buy what \$100.00 would have bought in August, 1939. The extra \$12.80 has been added largely because of higher food prices. Foods have accounted for no less than \$6.90 of the extra \$12.80 needed to maintain in August, 1941, the same budget as in August, 1939. The remaining \$5.90 would be divided as follows: Clothing \$1.80, fuel and lighting \$.70, rent \$1.10, home furnishings and services \$1.20, and miscellaneous items \$1.10.

The change which has occurred is shown below in tabular form. Column 1 shows the number of dollars out of each \$100 which typical wage-earner families were calculated to have spent on principal budget requirements in August, 1939. Column 2 shows the corresponding number of dollars required to maintain the same standard of living in August, 1941. Column 3 shows the dollar increases in each case, and column 4 the percentage increases for the two-year period.

INCREASES BETWEEN AUGUST 1939 AND AUGUST 1941 NECESSARY TO MAINTAIN
THE PURCHASING POWER OF TYPICAL WAGE-EARNER FAMILIES

Budget Group	August 1939	August 1941	Dollar Increase	Percentage Increase
	\$	\$	\$	%
Food	31.3	38.2	6.9	22.1
Shelter	19.1	20.2	1.1	5.7
Fuel and Light	6.4	7.1	.7	11.6
Clothing	11.7	13.5	1.8	15.6
Home Furnishings and Services	8.9	10.1	1.2	13.3
Miscellaneous Items	22.6	23.7	1.1	4.7
TOTAL	100.0	112.8	12.8	12.8

FOODS - Although the cost of a typical wage-earner family food budget increased 22.1 per cent from August, 1939 to August, 1941, price changes for individual foods within this budget showed wide differences. They ranged from a 13 per cent decline in potatoes to a 49 per cent increase in butter. When the budget items were grouped according to the principal types of foods included, the following percentage increases in costs were found:

Dairy products	24.5
Eggs	24.7
Meats and fish	26.9
Cereals	11.7
Dry groceries	35.5
Vegetables	2.8
Fruits	18.8

Relatively small increases in prices for bread and milk and a decline for potatoes have acted as a moderating influence upon the rise in food costs. All of these three items are of considerable importance in the food budget. A general idea of changes in retail food prices during the period may be obtained from the following arrangement of budget items.

PERCENTAGE CHANGES IN DOMINION AVERAGE RETAIL FOOD PRICES,
BETWEEN AUGUST 1, 1939 AND AUGUST 1, 1941.

Foods lower in price - potatoes, cocoa, canned peaches, corn flakes.

Foods higher in price from -

0.1 to 5.0 per cent	-	canned beans, raisins, currants.
5.1 to 10.0 per cent	-	fresh milk, rolled oats, canned peas, marmalade.
10.1 to 15.0 per cent	-	bread, strawberry jam.
15.1 to 20.0 per cent	-	sirloin steak, finnan haddie, rice.
20.1 to 25.0 per cent	-	blade roast, fresh pork, lamb, eggs, onions, prunes, oranges.
25.1 to 30.0 per cent	-	round steak, rib roast, dry beans, lemons.
30.1 to 40.0 per cent	-	stewing beef, veal, lard, cheese, salmon, flour, sugar, salt, corn syrup, canned tomatoes, bananas.
40.1+	-	butter, bacon, tea, coffee, canned corn.

FUEL - The increase of 11.6 per cent in fuel and lighting costs has resulted from the following percentage advances in individual fuel prices: Coal 13.8, coke 24.0, gas 4.8, and electricity 8.2. The Dominion index for domestic fuel gas would have shown a small decline except for the 8 per cent sales tax levied in the 1939 war budget. The increase in electricity costs has been due almost entirely to this same cause. The rise in coal and coke prices was likewise partially due to the wartime import tax of 10 p.c. which affected United States coal, and also to the premium on United States dollars established at the outbreak of war. Higher ocean freight rates have contributed to advances in British coal imported into Canada.

RENT - While wartime taxation has been a factor tending to increase other living costs, wartime control of rents has held tenant shelter costs very close to pre-war levels. The Dominion rental index mounted only 5.7 per cent between August, 1939 and August, 1941. In uncontrolled areas, however, somewhat larger increases have occurred.

CLOTHING - Advances in clothing prices have been concentrated between 10 and 15 per cent. The fact that the cost of the clothing budget has increased slightly more than 15 per cent, (15.6 per cent), has been due to greater rises in woollen clothing. Men's clothing in which wool tends to predominate, has advanced 19.2 per cent, which compared with 14.1 per cent for women's clothing, in which rayon and silk are relatively important. An index for footwear has moved up 10.4 per cent, and yard goods 18.1 per cent; the latter form a comparatively small proportion of the clothing budget.

HOME FURNISHINGS AND SERVICES - The increase of 13.3 per cent in the cost of this budget group between August, 1939 and August, 1941, represents price changes in furniture, floor coverings, textile furnishings such as sheets and towels, hardware, dishes and glassware, cleaning supplies, laundry rates and telephone rates. The first four of these groups showed substantial cost increases listed as follows in terms of percentage: Furniture 17.8, floor coverings 17.2, textile furnishings 26.1 and hardware 19.6. The second four recorded advances of the following smaller percentages: Dishes and glassware 9.0, cleaning supplies 3.7, laundry rates 1.1, and telephone rates 2.7.

MISCELLANEOUS ITEMS - An increase of 4.7 per cent in the budget for miscellaneous items reflected changes in costs for health maintenance, personal care, transportation, recreation and insurance. Health maintenance, including prices of medicines, hospital charges and doctors' and dentists' fees, rose only 1.9 per cent. The personal care index based upon prices for toilet articles and barbers' fees moved up a like amount of 1.8 per cent. Transportation costs advanced 7.2 per cent, as motor operating costs and rail fares increased while street car fares remained unchanged. The recreation group including theatre admissions, reading materials and tobacco prices gained 10.0 per cent. Life insurance rates declined slightly by 1.2 per cent.

